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Postal Regulatory Commission
901 New York Avenue, N.W., Suite 200
Washington DC 20268

POSTAL REGULATORY
COMMISSION
OFFICE OF THE SECRETARY

Re: Docket No. RM2017-12, *Periodic Reporting (Proposal Eight)*

Dear Chairman Taub and Members of the Commission:

Please accept this letter as the comments of Guideposts in this rulemaking. Guideposts respectfully requests that the Commission reject Postal Service Proposal Eight.

Guideposts is a nonprofit organization, headquartered in Danbury, Connecticut, that is dedicated to providing hope, encouragement, and inspiration to millions of people across America and the world. Through uplifting magazines, books, websites, a prayer network, and outreach programs, Guideposts helps people deepen their faith and inspires them to reach their true potential by enabling readers to read inspirational stories, request a prayer, pray for others, share an uplifting story, and connect with like-minded Guideposts readers, volunteers, and donors who share a sense of faith and belief in the human spirit.

Guideposts spends approximately \$17,500,000 in postage during a fiscal year. Most of this spending is on nonprofit Marketing Mail. Given the demographics of our donor base and the nature and mission of our support efforts, email and the Internet have proven to be ineffective substitute channels for raising donations and delivering the kind of spiritual support we seek to provide.

Our operating environment has become increasingly difficult in recent years. Since 2007, the lingering impact of the economic downturn and the ever increasing costs of acquiring new donors have caused our active fundraising donor file to fall by over 40 percent. Over the same period, new donor acquisition mail volume has fallen by roughly 50 percent. At the same time, the cost of postage has continued to rise. Last year, for example, we experienced a four percent increase in the average rates that we must pay for the nonprofit Standard mail letters that we rely on.

These trends have forced Guideposts to take painful steps to survive. These steps have included reductions in staff head count, salary cutbacks for all employees, and reductions in salary increases. We have also been forced to reduce the volume of our acquisition mailings to offset the rising cost of postage. Our annual postage spending in 2007 was approximately \$23,350,000 in 2007 dollars. In 2017, the figure will be only about \$17,500,000—in 2017 dollars.

Proposal Eight would compound the financial pressures on Guideposts. The Postal Service stats that adoption of its proposal would require that Regular Nonprofit rates increase on average by 3.33 percent more than the CPI. This larger increase would force Guideposts to scale back our acquisition mailings even further, and reduce the volume of our promotional mailings for our new publications.

The Postal Service has suggested that it might be willing to mitigate the rate shock from its proposal by phasing in the resulting price increases over two or more rate cycles. But phasing would give us little relief. Guideposts plans acquisition and direct mail mailings well in advance. Knowing a significant rate increase is impending would still cause us to scale back our mail volume even if the full increase did not take effect in the first year.

Very truly yours,

A handwritten signature in black ink, appearing to be "DS" or "DSullivan", with a long horizontal flourish extending to the right.

David O'Sullivan
Postal Affairs Manager
Guideposts